

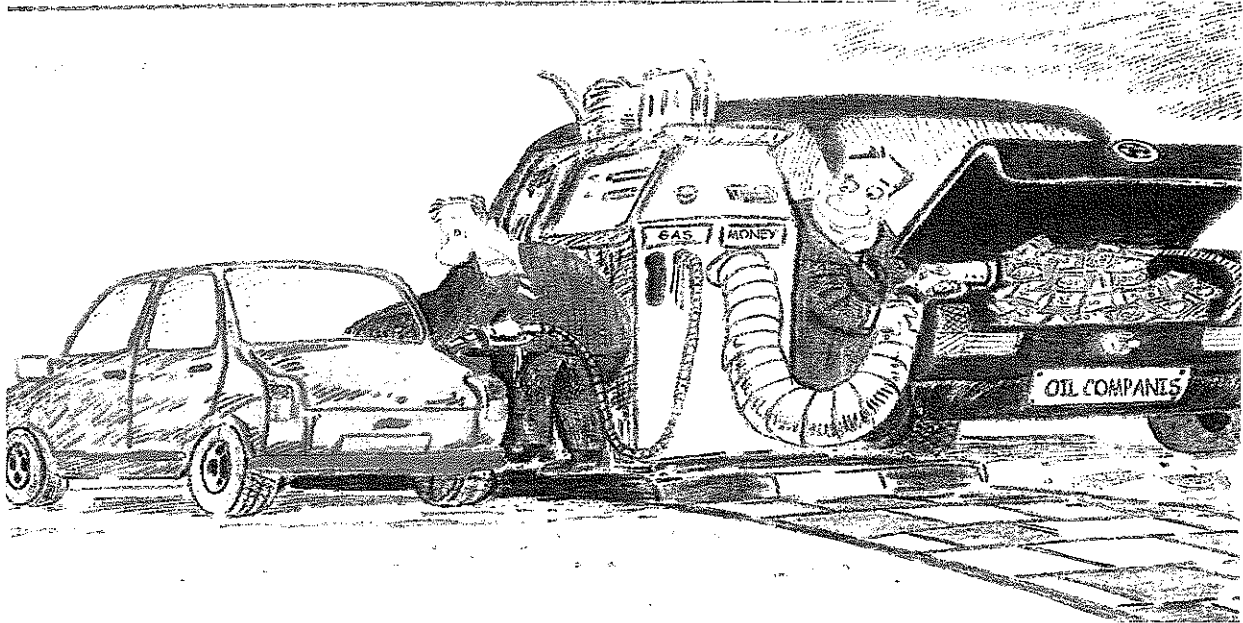


***GASOLINE & AUTOMOTIVE SERVICE
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*Our Members are responsible for selling over 60%
of gasoline sold annually in the State of Connecticut!*



***ENERGY & TECHNOLOGY
COMMITTEE PUBLIC HEARING***

***Testimony on House Bill 6511 An Act Concerning
Transparency & Oversight of Gasoline Markets***

By Michael J. Fox, Executive Director

February 24, 2009

Good Afternoon Senator Fonfare and Representative Nardello and members of the Energy & Technology Committee. Thank You for the privilege of testifying today, my name is Michael Fox and I am the Executive Director of The Gasoline & Automotive Service Dealer's of America, Inc. a trade association representing over 450 franchise small business owners in Connecticut.

We appreciate the committee's continued support trying to find the underlying cause of Connecticut's high retail gasoline prices and support House Bill 6511. In that effort, we would like to offer the following suggestions to strengthen HB-6511. Section 4 allows for the Office of Policy and Management the ability to purchase pricing data to compare data provided by refiners as required under Section 3 of the bill. I would like to inform the committee that to the best of my knowledge, no such data is commercially available as the data provided on a commercial basis only relates to the "wholesale rack or terminal price" charged by refiners. These rack/terminal prices are different and not the price that is charged to a dealer who purchases gasoline under a DTW pricing format. In addition, jobber/distributors purchase gasoline at the rack or terminal price, but then are offered lower cost incentives for volume, transportation cost reimbursements, and marketing functions that the jobber/distributor provides in place of the refiner. In order for this committee and the legislative body to determine what is going on, refiners must be required to provide complete pricing information, including all lower cost incentives or reimbursed cost associated with the services provided. It is my understanding the state of Hawaii did this in attempting to look at the same issues of high prices in Hawaii when that actually have refiners on the island. One would ordinarily think that transporting crude oil or gasoline to Hawaii should cost more, but in reality, it should cost less, because transportation costs of sending

refined gasoline would actually be less than transporting refined gasoline to a State like Connecticut.

Section 5 should be removed, as pricing information should not be kept from the public as Quinnipiac Professors attempted to do last year when presenting data to this committee. Then be told that data to back up the study would not be provided. In order for the public to have any faith or the industry for that matter, this information should be public to back up any finding of the legislature. This committee should wonder why the refiners allows for commercial data they claim is accurate to be sold, but want to provide data and then hide behind confidentiality. Pricing transparency is critical to accuracy. This is not the formula for gasoline or the marketing strategy of how to sell gasoline. That type of information should be confidential. This is simply the price they charge for a product and advertise through Oil Price Information Service and they have testified for the past 4-years have been accurate and available to any member of the legislature. Could it be that the information commercially available all these years has not be accurate? That is what we all need to know!